

9. Transportation Bonds:

Transportation bonds outstanding (amounts expressed in thousands) as of June 30, 1984, were as follows:

	<u>Outstanding</u>
Consolidated Transportation Bonds—5.375% Refunding Series, due February 15, 1993.....	\$354,865
County Transportation Bonds—5.5% Refunding Series, due May 15, 1993	155,725
Consolidated Transportation Bonds—5.9% to 9.0%, due serially 1985 through 1997	145,000
County Transportation Bonds—5.3% to 11.0%, due serially through 1998	<u>120,895</u>
	<u>\$776,485</u>

Consolidated Transportation Bonds are limited obligations issued by the Department of Transportation for highway, port, airport or mass transit facilities or any combination of such facilities, the principal of which must be paid within 15 years from the date of issue. The outstanding aggregate principal amount of these bonds, plus outstanding Maryland Port Authority loans (see Note 8) may not by law exceed \$950,000,000. At June 30, 1984, the principal amount of additional bonds which may be issued under this limitation was \$443,325,000.

Consolidated Transportation Bonds are paid from the transportation debt service fund except for Bond Anticipation Notes (none outstanding at June 30, 1984) which are paid from the proceeds of Consolidated Transportation Bonds which are deposited in the special revenue fund. Principal of and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute and the corporate income tax credited to the Department less amounts required for debt service on Maryland Port Authority Loans. These amounts are applicable to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payment.

Under the terms of authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts (excluding federal funds for capital projects, bond and note proceeds, income received from a sinking fund separately dedicated to the Refunding Bonds, and other receipts not available for debt service), less administration, operation and maintenance expenses, for the preceding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority loans and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority loans.

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for federally aided highway projects. Debt service on these bonds is payable from the counties' and Baltimore City's shares of highway user revenues.

As of June 30, 1984, Transportation bond debt service requirements for sinking fund deposits and principal and interest payments (amounts expressed in thousands) in future years were as follows: